



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

August 11, 1998

Russell Harms
Georgia Pacific Corporation
P.O. Box 30006
North Las Vegas, Nevada 89036

Re: Proposed Transfer of Large Mine Operation Notice of Intention, Western Clay Company, Hebe Gypsum Mine, M/015/072, Emery County, Utah

Dear Mr. Harms:

After our July 27, 1998 telephone conversation I discussed the permit transfer situation for Western Clay Company's Hebe Gypsum Mine with my supervisor and the Division's legal counsel. As background, the large mine permit filed with the Division for the Hebe Gypsum Mine had previously reached a state of tentative approval and undergone a 30-day public comment period. As stated in the Division's October 20, 1997 letter to Western Clay Company, a reclamation surety and reclamation contract were needed before the Division could grant final approval. As of today's date, those two documents were not received by the Division, and the large mine operation notice of intention never received final approval from the Division.

An incomplete or unapproved large mine notice cannot be transferred from one operator to another. In order to transfer the responsibility for this operation from Western Clay Company to Georgia Pacific Corporation (GP) there are two options which GP may pursue:

Option A: GP may resubmit the large mine operation notice of intention (LMO-NOI) information. The simplest way to achieve this task would be to provide a letter stating GP will accept the LMO-NOI information submitted to date, and GP will assume the responsibility to complete the permitting process. This letter would need to include any new surface and mineral ownership information and GP's corporate officers and contact information. The letter would also need to state that GP is willing to fully assume responsibility for the existing mine site disturbances under the Utah Mined Land Reclamation Act. The letter would need to be signed by an officer of the corporation capable of legally binding GP to the LMO-NOI application and existing reclamation responsibility.

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Option B: GP may choose not to accept the current LMO-NOI information and submit an entirely new LMO-NOI submission to the Division and begin the complete permit review process from the beginning.

If GP chooses Option A the Division would need to review the information to determine if it satisfies tentative approval status. After reaching tentative approval, the Division would publish a notice of tentative approval to begin the 30-day public comment period. If no substantive comments are received during this comment period the Division would proceed to issue a final approval after the joint reclamation surety and reclamation contract have been approved. The interim reclamation surety currently posted by Western Clay Company would need to remain in place until GP posted a replacement surety and received final Division approval.

GP will also need to satisfy the BLM's regulations regarding assumption of responsibility for the existing Western Clay Company Plan Of Operations or submission of a new Plan Of Operations. The Division will coordinate with the BLM to the extent possible under the current Memorandum of Understanding to avoid duplication and unnecessary delays associated with this permitting action.

If you have any questions regarding this letter please contact me at (801) 538-5267 or Wayne Hedberg at (801) 538-5286. Thank you for your cooperation.

Sincerely,



Anthony A. Gallegos
Senior Reclamation Specialist

jb
cc: Neal Mortensen, Western Clay Company
Dean Nyffeler, BLM Price Field Office
m15-72gp.let